

OWNERS OF FIRE-IMPACTED PROPERTY, FORESTLANDS MAY QUALIFY FOR TAX RELIEF

Montana property owners whose homes or forestlands burned during this summer's wildfire season may be eligible for significant property tax relief.

"Our hearts go out to those Montanans whose homes, lands and other property have been damaged or destroyed by this year's wildfires," said Governor Brian Schweitzer. "We want them to know that we can provide some relief on their upcoming property tax bill."

A property owner whose home or outbuildings were partially or totally destroyed by wildfire, rendering the property unsuitable for its previous use, may be eligible for property tax relief. The tax relief is prorated based on the number of days in the tax year that the property was unusable. The relief is available for the current tax year. Property owners must complete Form AB-25 to apply for the property tax relief. Property owners are encouraged to complete the application form by the end of the year, to ensure that the property's taxable value can be adjusted by the next tax billing cycle.

In addition, a forestland owner whose standing timber has been destroyed by wildfire during 2007 will receive a 50% reduction in the assessed value for 20 years beginning with the 2008 tax year. The land impacted by the wildfire must have been classified as commercial forestland by the Department of Revenue prior to the loss. Forestland owners must complete Form AB-26. The AB-26 can be completed at any time following the loss. However, to be eligible for a reduction on the 2008 tax bill, the forestland owner must complete and submit Form AB-26 by the first Monday in June of 2008, or within 30 days of receipt of the 2008 property tax assessment, whichever is later.

Both Form AB-25 and Form AB-26 are available at all Department of Revenue local offices. The forms also can be downloaded from the department's website at mt.gov/revenue.

"This tax relief is significant for affected property owners," said revenue director Dan Bucks. "It will assist Montanans in recovering after a devastating wildfire season."

Montana property owners who experience a fire-related loss of a dwelling also may be eligible for a state income tax deduction for casualty losses, if they itemize deductions. Casualty losses result from destruction of, or damage to, a property from any sudden, unexpected, and unusual event. The property owner needs to complete federal Form 4684, Casualties and Thefts, and submit the form along with his or her 2007 Montana individual income tax return.

In many cases, Montana property owners also may be eligible for a 2007 federal income tax casualty loss deduction. Additional information is available by visiting the Internal Revenue Service website, www.irs.gov/ and typing "Tax Topic 507" in the search box. The department also can issue replacement copies of property records, past-year tax returns or other revenue-related information that is lost in a wildfire.

Property owners impacted by this summer's wildfires are encouraged to contact their local Department of Revenue office for assistance on property tax relief and to call Deborah Hall, income tax specialist, at (406) 444-3542 for questions about income tax deductions for casualty losses.

For more information, please visit the department's website at mt.gov/revenue.

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